

## Message Text

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ORIGIN EB-08

INFO OCT-01 ARA-10 IO-13 ISO-00 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03  
LAB-04 NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15  
STR-07 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01  
DOE-15 /124 R

DRAFTED BY EB/OT:SAHMAD  
APPROVED BY EB:JKATZ  
STR:TSTEWART (SUBS)  
-----027294 051829Z /45  
R 051543Z MAY 78  
FM SECSTATE WASHDC  
TO USMISSION GENEVA  
AMEMBASSY BRASILIA

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E.O. 11652: N/A

TAGS:ETRD

SUBJECT: BRAZILIAN EMBASSY REQUEST THAT US NOT PRESS BRAZIL  
FOR FULL BOP REVIEW

1. BRAZILIAN MINISTER COUNSELOR ALVERO DA COSTA-FRANCO  
CALLED ON ASSISTANT SECRETARY OF STATE KATZ MAY 4 ON INSTRUCTIONS  
FROM HIS GOVERNMENT TO REQUEST THAT THE US NOT PRESS  
FOR A FULL BALANCE OF PAYMENTS REVIEW IN GATT. HE STATED  
THAT BRAZIL WAS SCHEDULED TO BE REVIEWED BY THE BOP COMMITTEE  
THE END OF THE MONTH AND HIS GOVERNMENT HAD PREPARED  
A QUITE COMPREHENSIVE DOCUMENT FOR THAT PURPOSE. IT IS IN  
GENEVA READY FOR TRANSLATION AND CIRCULATION SHORTLY. HE  
STATED THAT BRAZIL WOULD MUCH PREFER TO HAVE THE SHORT  
PROCEDURE BE SUFFICIENT.

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2. ASSISTANT SECRETARY KATZ RESPONDED THAT WE HOPED BRAZIL  
WOULD AGREE TO THE LONGER PROCEDURE AND THAT WE BELIEVED  
BRAZIL MIGHT FIND IT TO ITS OWN ADVANTAGE TO DO SO. GATT  
REVIEWS CAN BE USEFUL BOTH AS AN OPPORTUNITY TO DEMONSTRATE  
TO OTHER COUNTRIES THAT THE POLICIES OF OTHERS AFFECT THE  
CONSULTING COUNTRY AND FOR INTERNAL DELIBERATIONS IN THE

CONSULTING COUNTRY ABOUT ONE'S OWN POLICIES.

3. FRANCO RESPONDED THAT BRAZIL HAD UNDERGONE A FULL CONSULTATION THE LAST TIME IT CAME UP FOR REVIEW DESPITE STRONG FEELINGS IN BRAZILIA THAT THIS WAS UNFAIR IN LIGHT OF DEVELOPED COUNTRIES ESCAPING SUCH REVIEW. (HE REFERRED TO THE ITALIAN MEASURES AT THE TIME). HE ALSO NOTES THAT THE DIFFICULTY IS IN A SHORTAGE OF QUALIFIED MANPOWER TO DO THE ANALYSIS NECESSARY AND SEND ENGLISH SPEAKING OFFICIALS TO GENEVA FOR THE REVIEW. HE ACKNOWLEDGED THAT BRAZIL IS MUCH BETTER EQUIPPED IN THIS REGARD THAN OTHER LESS DEVELOPED COUNTRIES AND THAN IT WAS ITSELF 15-20 YEARS AGO, BUT ASKED THAT THE UNITED STATES UNDERSTAND THAT THIS WAS THE PROBLEM. KATZ REITERATED HIS HOPE THAT BRAZIL WOULD FIND IT IN ITS INTEREST TO UNDERGO THE FULL REVIEW BUT INDICATED THAT WE DID NOT WANT A MAJOR CONFRONTATION OVER THIS ISSUE.

4. MR. KATZ ALSO RAISED THE PROBLEM OF PROTRACTED ARTICLE XXVIII NEGOTIATIONS WITH BRAZIL AND THE FACT THAT OUR EMBASSY HAD BEEN INSTRUCTED TO INFORM THE GOP ABOUT INCREASING PRESSURE IN THE US TO TAKE SOME ACTION (STATE 113212). FRANCO WAS UNFAMILIAR WITH THE CURRENT STATUS OF THE MATTER, SAID HE WOULD REPORT THE COMMENT, AND PRESUMED THAT THE WOLFF/BARRACLOUGH TEAM WOULD MAKE KNOWN OUR CONCERNS DURING THE VISIT TO BRAZILIA NEXT WEEK. CHRISTOPHER

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** BALANCE OF PAYMENTS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978STATE114775  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** SAHMAD  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780192-0862  
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**Message ID:** 07713aa3-c288-dd11-92da-001cc4696bcc  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2775976  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BRAZILIAN EMBASSY REQUEST THAT US NOT PRESS BRAZIL FOR FULL BOP REVIEW  
**TAGS:** ETRD, BR, GATT  
**To:** GENEVA BRASILIA  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014